

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7113

BILL NUMBER: HB 1470

NOTE PREPARED: Jan 22, 2009

BILL AMENDED:

SUBJECT: Price-Based Nursing Home Reimbursement.

FIRST AUTHOR: Rep. Pelath

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires the Office of Medicaid Policy and Planning (OMPP) to reimburse, not later than July 1, 2011, a health facility based on a price-based system. The bill specifies components of a price-based reimbursement system. It also requires OMPP to recalculate prices every two years and allows for adjustments in other years.

Effective Date: July 1, 2009.

Explanation of State Expenditures: The bill defines the parameters for a new price-based reimbursement system for nursing facilities to be developed by OMPP. OMPP would be required to develop the specified system and promulgate rules to implement it no later than June 30, 2011. The fiscal impact will depend on implementation and the content of the rules and is not determinate at this time.

Explanation of State Revenues: Medicaid is a jointly funded state and federal program. Funding for direct services is reimbursed at approximately 63% by the federal government, while the state share is about 37%. Funding for administrative services is generally shared 50/50.

Explanation of Local Expenditures:

Explanation of Local Revenues: County-owned nursing facilities would be affected by a change in Medicaid reimbursement methodology.

State Agencies Affected: OMPP, Family and Social Services Administration.

Local Agencies Affected: County-owned nursing facilities.

Information Sources:

Fiscal Analyst: Kathy Norris, 317-234-1360.